Upward trend in Price Index

1945. SHRIMATI CHANDRIKA ABHINANDAN JAIN: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the consumer price-index has continued to move upward during the last three years hitting poor people hard;

(b) what is the quantum of money a consumer has to spend on a rise of 1 point in the Index;

(c) what is the weightage given to various factors while computing index;

(d) whether Government are aware of the widespread feeling and complaints that the Consumer Price Index does not exactly project the reality on the price front; and

(e) if so, what is the reaction of Government thereto?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY): (a) The movement of Consumer Price Index for Industrial Workers (base 1982) and the indices for essential commodities exhibited a mixed trend during the last three years as shown below :—

Annual rate of increase(%) (point-to-point)

	General Index	Essential Commodities Index
1991-92 .	13.9	15.6
1992-93. .	6.1	3.1
1993-94. .	9.9	12.1

(b) The latest Consumer Price Index for Industrial workers for the month of May, 1994 was 272 when the value of rupee was 36.76 paise. One point increase in the index reduces the value of rupee to 36.63 paise.

(c) The weights of different items in the consumption basket were determined on the basis of comprehensive family Income and Expenditure Survey. The relative weights of major consumption items in the present series are given below:—

Consumption items	Weightage
1. Food	57.00
2. Pan, Supari, Tobacco and intoxicants . . .	3.15
3. Fuel & lights . .	6.28
4. Housing	8.67
5. Clothing, Bedding and Footwears	8.54
6. Miscellaneous (Medical care, Recreation, transport, personal care services etc.)	16.36
	100.00

(d) and (e) Consumer Price Index for Industrial Workers is compiled by Ministry of Labour who have not so far received any complaint with regard to the compilation of the index.

Brokers authorised to trade in Government securities

1946. SHRI SOM PAL: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that some select brokers have been authorised to trade in Government securities by the Reserve Bank of India;

(b) whether it is also a fact that they have been given access to the S. G. Ledger;

(c) if so, what are the names of such brokers;

(d) when this practice was first started and who were the brokers approved and authorised for the purpose initially; and

(e) what are the details of the original and subsequent orders, issuing such authorization and the objectives thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY): (a) No authorization is required from the Reserve Bank of India for brokers to trade in Government securities However, RBI maintains an approved list of Brokers for undertaking select transactions on behalf of Employees, Coalminers & Seamens Provident Funds whos investments in State Government/Government guaranteed securities are managed by RBI.

(b) and (c) Some brokers who had applied have been allowed to open Subsidiary General Ledger (SGL) Accounts with RBI. As on 27-7-1994, the following four brokers had SGL accounts with RBI :

(i) M/s. Paterson & Co., Madras;

(ii) M/s. G. M. Bosu & Co., Calcutta;

(iii) M/s. Gupta & Co., New Delhi; and

(iv) M/s. Vinod Kumar & Co., New Delhi.

(d) The practice of allowing brokers to open SGL Accounts was started in July 1986 Initially, only one broker viz. M/s. Paterson & Co. Pvt. Ltd., Madras was granted permission to open SGL Account with RBI.

(e) The objective of allowing SGL account facility to brokers is to discourage holding of securities in physical form and to facilitate settlement of transactions by mere transfer of entries between two accounts. Initially in 1986 brokers were allowed to open SGL accounts subject to the condition that the minimum holding of Government securities should be Rs. 10,000. In March, 1993 it was decided that only stock brokers of approved list of RBI be given the facility subject to the condition that minimum balance to be held in the SGL account should be rupees one lakh.

Profit and loss of Public Sector Banks

1947. SHRI SURESH PACHOURI: Will the Minister of FINANCE be pleased to refer to the answer to Starred Question 28 given in the Rajya Sabha on 26th July, 1994 and state:

(a) what are the efforts being made by Government to see that the public sector bankes do not incur losses;

(b) whether any guidelines have been issued by the RBI to these public sector banks; and

(c) what is the trend in 1994-95 in the performance of the public sector banks ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY): (a) and (b) In order to improve their profitability, nationalised banks have entered into performance agreements (MoU) with the Reserve Bank of India (RBI). Accordingly, steps are being taken to improve credit management, reduce the volume of non-performing assets and minimise operational expenditure The implementation of these agreements is being reviewed internally by the banks and by the RBI/Government. The RBI has also issued necessary guidelines to the banks in this regard.

(c) RBI has reported that banks will be required to make lesser provisioning in respect of reduced non-performing assets for the year ending 31st March, 1995 and this is likely to improve the profitability and performance of the public sector banks.

C.B.I. raids on stockbrokers

1948. SHRIMATI KAMLA SINHA: DR. BAPU KALDATE:

Will the Minister of FINANCE be pleased to state:

(a) whether C.B.I. raids were recently conducted on stock-brokers and firms in the country;

(b) if so, what are the details thereof;